Philippine Stock Exchange index (PSEi) 6,742.89 ▲129.04 PTS. ▲1.95%

MONDAY, DECEMBER 2, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P638.00	+P26.00	+4.25%
ACEN	ACEN Corp.	P4.00	+P0.02	+0.5%
AEV	Aboitiz EquityVentures, Inc.	P34.35	+P0.35	+1.03%
AGI	Alliance GlobalGroup, Inc.	P8.94	+P0.16	+1.82%
ALI	Ayala Land, Inc.	P29.00	+P0.40	+1.4%
BDO	BDO Unibank, Inc.	P155.20	+P0.70	+0.45%
BLOOM	Bloomberry Resorts Corp.	P5.60	+P0.12	+2.19%
BPI	Bank of the Philippine Islands	P128.40	-P0.20	-0.16%
CNPF	Century Pacific Food, Inc.	P42.25	+P0.25	+0.6%
CNVRG	Converge ICT Solutions, Inc.	P16.68	+P0.28	+1.71%
DMC	DMCI Holdings, Inc.	P10.78	+P0.12	+1.13%
EMI	Emperador, Inc.	P18.08	+P0.08	+0.44%
GLO	Globe Telecom, Inc.	P2,130.00	+P30.00	+1.43%
GTCAP	GT Capital Holdings, Inc.	P659.50	+P4.50	+0.69%
ICT	International ContainerTerminal	P390.00	+P20.00	+5.41%
JFC	Jollibee Foods Corp.	P265.00	+P7.00	+2.71%
JGS	JG Summit Holdings, Inc.	P22.05	——	
LTG	LT Group, Inc.	P10.12	-P0.04	-0.39%
MBT	Metropolitan Bank& Trust Co.	P76.30	+P0.05	+0.07%
MER	Manila Electric Co.	P480.00	+P1.00	+0.21%
MONDE	Monde Nissin Corp.	P9.20	-P0.06	-0.65%
NIKL	Nickel Asia Corp.	P3.05	+P0.08	+2.69%
PGOLD	Puregold Price Club, Inc.	P30.70	+P0.10	+0.33%
SCC	Semirara Mining and Power Corp.	P31.95	-P0.15	-0.47%
SM	SM Investments Corp.	P918.00	+P43.00	+4.91%
SMC	San Miguel Corp.	P87.75	-P0.25	-0.28%
SMPH	SM Prime Holdings, Inc.	P26.60	+P0.20	+0.76%
TEL	PLDT Inc.	P1,342.00	+P45.00	+3.47%
URC	Universal Robina Corp.	P77.30	-P1.65	-2.09%
WLCON	Wilcon Depot, Inc.	P13.40	+P0.40	+3.08%

Megaworld invests P5B in 35th township in Cagayan de Oro

MEGAWORLD CORP. is expanding its portfolio to 35 townships as it starts the development of The Upper Central integrated lifestyle community in Cagayan de Oro City.

The 117-hectare township is being developed by Megaworld's subsidiary Global-Estate Resorts, Inc. (GERI).

"With GERI as the primary developer of The Upper Central, it is allocating an initial P5 billion to develop the entire integrated lifestyle community in the next ten years," Megaworld said in a stock exchange disclosure on Monday.

The Upper Central is located along J.R. Borja Road in Barangays Gusa and Indahag, overlooking Downtown Cagayan de Oro. The township is 10 to 15 minutes away from the city's downtown area and less than an hour away from Laguindingan International Airport.

"The Upper Central will be a milestone development as it is our 35th township launched on our 35th year in the Philippine real estate industry. As we develop this new township, our vision as a developer remains: to help uplift the lives of the community and also to help propel the local economy through the jobs that we create. We hope to impart this lasting impact to Kagay-anons and the rest of the people of Mindanao," Megaworld President Lourdes T. Gutierrez-Alfonso said.

Highlighted by views of Macajalar Bay and the Malasag Mountain Range, the township will have residential villages, a pedestrianized commercial and shophouse district, mixed-use developments, and its own town center.

The township will feature a central park, landscaped open spaces, viewing decks, mountain and bike trails, and an adventure park, with sloping terrain reaching up to 245 meters above sea level.

About 40% of the township will be allocated for roads, as well as green and open spaces.

"We are envisioning building a whole new lifestyle district in this higher part of Cagayan de Oro," GERI President Monica T. Salomon said.

Philippine Statistics Authority data this year showed that Cagayan de Oro is the second richest city outside of Metro Manila in terms of per capita gross domestic product.

UK-based Oxford Economics placed Cagayan de Oro as the third city in the Philippines with the largest urban economy, only behind Manila and Cebu.

"Ever since, we have already set our eyes on Cagayan de Oro City because this is the gateway to many parts of Northern Mindanao. For the past years, our group has been carefully evaluating the concept of development that we want to put in this bustling city. Now is the perfect time to take part in the booming real estate industry of this side of Mindanao," Megaworld Executive Director Kevin Andrew L. Tan said.

Meanwhile, MREIT, Inc., the real estate investment trust (REIT) arm of Megaworld, is eyeing expansion into Cebu, Bacolod, and Pampanga over the next three years.

"As opportunities arise, the company may choose to diversify into other high-growth geographic areas like Cebu, Bacolod, and Pampanga, as well as other growth areas in the country where the sponsor's (Megaworld Corp.) townships are located," MREIT said in a separate regulatory filing on Monday.

FROM LEFT TO RIGHT: Lourdes T. Gutierrez-Alfonso, president, Megaworld Corp.; Kevin L. Tan, president and chief executive officer, Alliance Global, Inc.; and Monica T. Salomon, president, Global-Estate Resorts, Inc.

According to the company, its diversification plans also include investments in other types of real estate assets such as retail, hospitality, industrial, logistics, warehouse, and other sectors that meet its criteria for "Grade-A, centrally located, stably occupied, and income-generating" properties.

"Properties to be acquired will primarily be Megaworld assets but may also include assets owned by third parties. Acquisitions will be funded either through debt, equity, or a combination of both," MREIT said.

The company previously said that it aims to have one million square meters of gross leasable area across its portfolio by 2030.

In October, MREIT secured approval from the Securities and Exchange Commission to acquire six office properties from Megaworld.

Valued at P13.15 billion, the properties include Two West Campus, Ten West Campus, and One Le Grand in McKinley West; One Fintech and Two Fintech in Iloilo Business Park; and Davao Finance Center in Davao Park District.

Under the deal, MREIT will issue 926.16 million shares to Megaworld in exchange for the six properties.

On Monday, Megaworld shares rose by 0.49% to P2.05 each, while GERI stocks last traded at 58 centavos on Nov. 27. MREIT shares declined by 1.89% to P13.48 each. — **Revin Mikhael D. Ochave**

First Gen lowers 2025 capex to P35 billion

By Sheldeen Joy Talavera
Reporter

LOPEZ-LED First Gen Corp. is allocating a lower capital expenditure (capex) budget for next year as it will be focusing on geothermal activities, its president said.

"Next year, we will have a relatively smaller capex program. Maybe roughly around... P35 billion," First Gen President and Chief Operating Officer Francis Giles B. Puno told *BusinessWorld* last week.

Mr. Puno said that around 90% of the budget will be allocated for geothermal activities, particularly drilling new wells.

"The prioritization is those drilling programs and the completion of the power plants... 83 megawatts (MW) will be operational by next year," he said.

For 2024, First Gen has allocated $1.27 billion or approximately P74.4 billion.

Of the total, $560 million was for the hydro platform, which included the acquisition cost of the Casecnan Hydroelectric Power Plant; $670 million was allotted to its renewable energy subsidiary Energy Development Corp. (EDC) for its renewable energy portfolio; and the remainder was allocated for natural gas projects and the LNG Terminal Project.

Mr. Puno said that the company has already "completed the capex program in gas, as well as in hydro," which explains the lower 2025 budget.

"The capex for geothermal is ongoing. So, what we're doing is completing all the capex programs for geothermal," he said.

For 2025, First Gen is targeting to drill approximately 16 new wells.

"We're spending a lot on our well-drilling program. But the other issue we're facing is that the power plants above ground are already old. So, we're also trying to figure out how to make sure that we're maximizing the steam capability of our concessions — matched with the right technology," Mr. Puno said.

He said that the company has set a P60-billion capex program, of which P30 billion is for drilling wells while another P30 billion is for building more geothermal plants, as well as battery energy storage facilities.

"Many of our investments were originally fossil fuel, particularly in gas. We never invested in coal. But over the last many years, our priority really has been in geothermal," Mr. Puno said.

"When you look at our balance sheet, for the longest time, our gas assets were probably the bigger portion of our investments, but today, our biggest investment actually is in EDC," he added.

First Gen has a total of 3,668 MW of installed capacity coming from its portfolio of plants that run on geothermal, wind, hydro, solar energy, and natural gas.

At the local bourse on Monday, shares in the company climbed by 1.3% to close at P17.20 each.

SMC defends 7,000-ha Bugsuk Island titles

SAN MIGUEL CORP. (SMC) confirmed its acquisition of 7,000 hectares (has) on Bugsuk Island in Balabac, Palawan, noting that the titles predate the 1997 Indigenous Peoples Rights Act and no certificate of ancestral domain title exists for the properties.

SMC acquired the properties "through the purchase of companies that have held the titles since their original issuance in 1974 as part of a government program involving the redistribution of agricultural lands to farmers under the Land Reform Program," the Ramon S. Ang-led conglomerate said in an e-mailed statement on Monday.

"The Department of Agrarian Reform (DAR) has upheld in its orders dated Aug. 15 and Sept. 20, 2023, that the Bugsuk properties are not subject to Agrarian Reform distribution," the company said. An indigenous peoples (IP) group called Sambilog-Balik Bugsuk Movement questioned this decision.

"While no certificate of ancestral domain title exists for Bugsuk Island, and existing property titles predate the 1997 Indigenous Peoples Rights Act, SMC is committed to engaging in constructive dialogue with all stakeholders, including the true representatives of the Molbog people, to address any concerns," it added.

BusinessWorld still awaits comment from Agrarian Reform Secretary Conrado M. Estrella III.

"Any reacquisition by the government would violate the just compensation already provided and infringe upon the Constitutional rights of the lawful owners," SMC said.

"Still, SMC acknowledges the historical complexities of land ownership in the Philippines and recognizes the importance of respecting the rights of legitimate indigenous communities," it added. — **Ashley Erika O. Jose**

Power China tapped to construct MTerra Solar

TERRA SOLAR Philippines, Inc. (TSPI), a subsidiary of SP New Energy Corp. (SPNEC), has tapped Power Construction Corp. of China Ltd. (Power China) for the construction of a portion of the P200-billion solar and battery energy storage project.

TSPI signed an engineering, procurement, and construction (EPC) contract with Power China along with its affiliates to build the eastside development of the MTerra Solar Project, the company said in a statement on Monday.

"MTerra Solar serves as our bold step towards ensuring a sustainable energy future for the Philippines — and with Power China as our partner, we are well on our way to achieving our vision of a cleaner energy future for the Philippines," TSPI President and Executive Director Dennis B. Jordan said.

TSPI is constructing a 3,500-megawatt-peak (MWp) solar power plant and a 4,500-megawatt-hour (MWh) battery energy storage system in Central Luzon.

The project will be located in five towns — Gapan, General Tinio, Peñaranda, and San Leonardo, all in Nueva Ecija, and San Miguel, Bulacan.

Slated for completion by 2027, MTerra Solar is expected to provide clean energy to more than two million households.

Under the agreement, Power China will handle the development of the project's east section, spanning approximately 1,505 hectares.

The section accounts for 1,050 MWp of the project's total capacity.

SPNEC said that the agreement covers warranty, defect resolution, and the implementation of operational and maintenance protocols "to ensure long-term reliability and success" of the project.

MICHAEL WILSON-UNSPLASH

MGen Renewable Energy, Inc., the renewable energy arm of Meralco PowerGen Corp. (MGen), holds a controlling stake in SPNEC. MGen is a subsidiary of power distributor Manila Electric Co. (Meralco).

"We sign this EPC agreement with Power China recognizing their expertise, exceptional track record, and unwavering commitment to excellence — we know that they will help us realize our bold ambition," MGen President and Chief Executive Officer Emmanuel V. Rubio said.

Power China, a state-owned enterprise, focuses on the planning, design, and construction of electric power infrastructure with a presence across Africa, Asia, and Europe.

For the west side, TSPI recently inked an EPC contract with China Energy Engineering Group Co., Ltd. (Energy China) for the construction of the project's section accounting for 1,400 MWp for solar and 3,300 MWh for energy storage.

Last month, the companies officially broke ground for the MTerra Solar Project, marking the full swing of its construction.

The project is set to deliver solar energy under a 20-year, 850 MW mid-merit power supply agreement to Meralco.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**